

FILED

IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION

SEP 3-1980

DOCKETED

SEP 5 1980

At H. STUART CUNNINGHAM  
o'clock  
CLERK

BALLY MANUFACTURING CORPORATION,

Plaintiff,

v.

D. GOTTLIEB & CO.,  
WILLIAMS ELECTRONICS, INC.  
and  
ROCKWELL INTERNATIONAL CORPORATION,

Defendants.

CIVIL ACTION

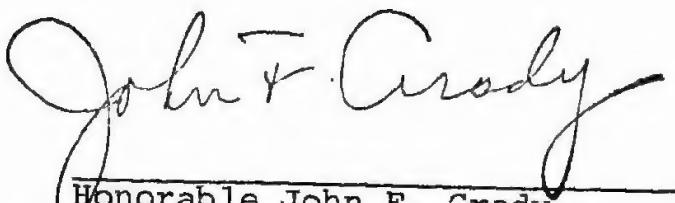
NO. 78 C 2246

STIPULATION

It is hereby stipulated by the parties to this action, this Honorable Court consenting, that the defendants may depose Dr. Phil T. Tai, 2320 Walsh Avenue, Santa Clara, California, and plaintiff may depose Raymond Holt, 4603 Park Milford Place, San Jose, California, the Holt deposition being limited to the factual matters set forth in the Tai Affidavit filed with the United States Patent and Trademark Office in connection with the application for reissue of the patent in suit. A copy of the Affidavit is attached to this Stipulation.

This Stipulation is being filed by the parties, and the Court's consent is being sought, because discovery in this matter has been closed.

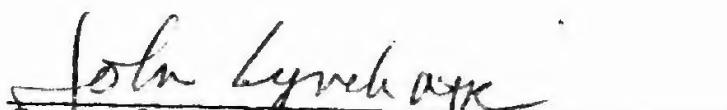
APPROVED:

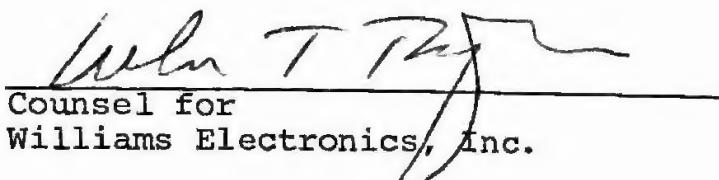
  
John F. Grady  
Honorable John F. Grady  
Judge, U.S. District Court

SEP 3 1980

AGREED TO:

  
Donald T. Welsh  
Counsel for  
Bally Manufacturing Corporation

  
John Lynch  
Counsel for  
D. Gottlieb & Co. and  
Rockwell International Corporation

  
Weln T. Payne  
Counsel for  
Williams Electronics, Inc.

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4  
AFFIDAVIT OF DR. PHIL T. TAI

5 Dr. Phil T. Tai, being duly sworn, deposes and states  
6 as follows:

7 1. I am currently the President of American  
8 Semiconductor, Incorporated located in Santa Clara, California.

9 2. I was Manager of Engineering for Intel  
10 Incorporated during the years of 1972 through 1974, which at that  
11 time was located in Santa Clara, California.

12 3. As Manager of Engineering at Intel I was generally  
13 in charge of all engineering efforts relating to the design and  
14 development of microprocessor chips.

15 4. Also, as Manager of Engineering my duties  
16 included cooperating with the marketing and sales employees  
17 at Intel by traveling to potential customers of Intel to  
18 answer the customers questions regarding the operation of Intel  
19 microprocessors generally and the use of Intel microprocessors  
20 in the specific application of the customers.

21 5. In performance of my duties as an Intel employee,  
22 on several occasions, including during late 1973 and 1974, I  
23 visited one Jeffrey Frederiksen in Milwaukee, Wisconsin, and  
24 had several conversations with him.

25 6. During one of these conversations with Jeffrey  
26 Frederiksen in late 1973, he discussed with me his concept  
27 of using a microprocessor in various game applications including  
28 for the control of a pinball machine.

29 7. At that time I understood Mr. Frederiksen's  
30 concept included the idea of utilizing a matrix-multiplexing

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10

1 technique with a microprocessor to interact with the lamps,  
2 switches and digital display of a pinball machine.

3       8. During a conversation with Jeffrey Frederiksen  
4 in late 1973 or 1974 we had a discussion about the potential  
5 problems of Mr. Frederiksen's proposal of actuating the  
6 incandescent lamps of a pinball machine using a matrix-  
7 multiplexing technique, and I expressed concern to Mr.  
8 Frederiksen about whether incandescent lamps could withstand  
9 the high current necessary to use this technique.

10      9. In mid 1974 during a visit with Jeffrey  
11 Frederiksen in Milwaukee, I observed an electromechanical  
12 pinball machine and had a conversation with Mr. Frederiksen  
13 wherein he discussed with me how he proposed to convert the  
14 pinball machine to a solid-state game using an Intel  
15 microprocessor and his proposed matrix-multiplexing technique.

16      10. Some time after the meeting where I first  
17 observed the electromechanical pinball machine while  
18 visiting Jeffrey Frederiksen in Milwaukee, Wisconsin, and  
19 while on another visit to Jeffrey Frederiksen in Milwaukee in  
20 1974, I was shown by Mr. Frederiksen two identical operational  
21 pinball machines, one which I observed was a standard  
22 electromechanical pinball machine, and one which I observed  
23 was a standard electromechanical pinball machine converted to  
24 operate under the control of an Intel microprocessor.

25      11. One of my functions as Manager of Engineering  
26 at Intel between the years of 1973 through 1974 was to set up  
27 and manage an educational group at Intel which function was to  
28 hold seminars throughout the United States concerning the

1 operation of Intel microprocessors generally and the use  
2 of Intel microprocessors in various applications.

3       12. Raymond Holt was part of this group of people  
4 hired by Intel to teach the said aforementioned seminars during  
5 the years of 1973 and 1974.

6       13. In my capacity at Intel as Manager of Engineering  
7 and being in charge of the seminar groups in 1973 and 1974, I  
8 had close contact with Mr. Holt in determining what subject  
9 matter would be taught by him in the seminars.

10      14. In my conversation with Mr. Holt concerning  
11 the courses that he taught in 1973 and 1974 for Intel I had  
12 a practice of discussing with him the proposed applications  
13 of Intel microprocessors which I had learned about through my  
14 visits to various companies and my contacts with the marketing  
15 and sales employees of Intel during the years 1973 and 1974.

16      15. Although I had a practice of not disclosing the  
17 names of companies which I believed were considering the use  
18 of a microprocessor for a certain application, I did discuss  
19 with Mr. Holt in general terms these applications without  
20 disclosing the names of the companies.

21      16. During the years 1973 and 1974 when Raymond  
22 Holt was teaching seminars for Intel I believe I discussed with  
23 him the fact that there was a company which was designing a  
24 pinball machine which used an Intel microprocessor and which  
25 used a matrix-multiplexing technique to interact with the  
26 switches, lamps and displays.

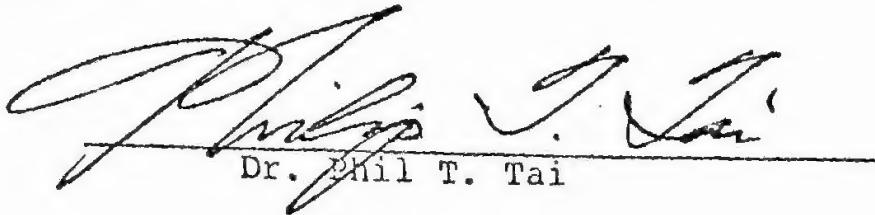
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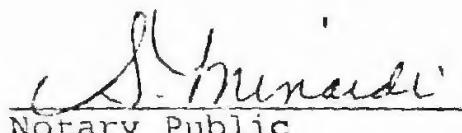
1           17. The company I was referring to was the company  
2 Jeffrey Frederiksen worked for in Milwaukee, Wisconsin, even  
3 though I probably did not mention the name to Mr. Holt.

4           August 1, 1980.

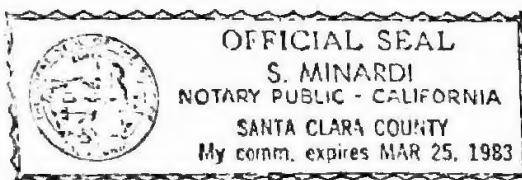
5             
6           Dr. Phil T. Tai

7           COUNTY OF SANTA CLARA )  
8           ) ss  
9           STATE OF CALIFORNIA )

10          Subscribed and sworn to before me this 1ST day  
11          of AUGUST, 1980.

12            
13          S. Minardi  
14          Notary Public

15          My Commission Expires: MARCH 25, 1983



17          VTP